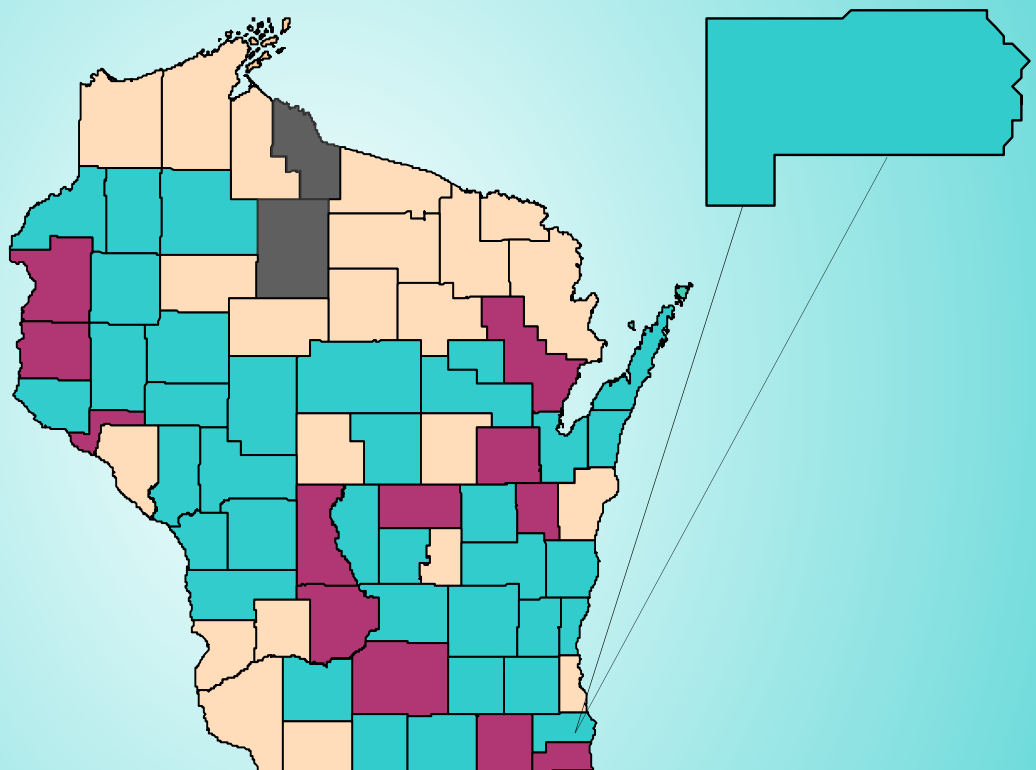


Racine County Workforce Profile

Projected population growth from 2000 to 2020



Source: Wisconsin Department of Administration, Demographic Services Center.
Statewide population growth is projected to be 13.9 percent from 2000 to 2020.



County Population

Racine County's population represents 3.5 percent of the state's total population and about 0.6 percent of its total geographic area. This indicates that Racine County is one of the more densely populated counties in the state at approximately 572 persons per square mile. The state's population density is about 100 persons per square mile.

Racine County's population grew at about half the rate of Wisconsin over a 20-month period from April 2000 to January 2002. At nine-tenths of a percent point growth, Racine County added 1,615 residents. This population growth is a net sum of new residents via natural increase or the number of births minus number of deaths and net migration measuring those who have moved into the county minus those who have moved out. The table (below, right) shows that Racine County's population growth is exclusively the result of natural increase as net migration has been negative, indicating movement out of the county. This is reflective of the population decline in the City of Racine, which dropped one-half of a percent in the same 20-month period. The towns and villages outside of the city show positive population movement that is due to the influx of Racine City residents as well as a contingent of southward moving Milwaukee and Waukesha County movers, Kenoshans and a large number of Chicago-area transplants.

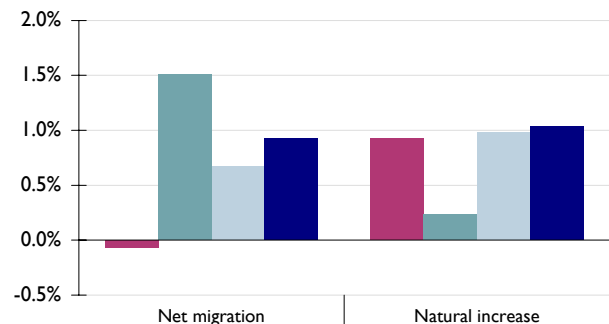
Demographic issues such as the news of an aging population are as apparent in Racine County as they

Total Population

	April 2000 Census	January 1, 2002 estimate	Percent change
United States	281,421,906	286,923,000	2.0%
Wisconsin	5,363,701	5,453,896	1.7%
Racine County	188,831	190,446	0.9%
Largest Municipalities			
Racine, City	81,855	81,440	-0.5%
Caledonia, Town	23,614	24,163	2.3%
Mount Pleasant, Town	23,142	23,629	2.1%
Burlington, City*	9,936	10,000	0.6%
Norway, Town	7,600	7,688	1.2%
Burlington, Town	6,384	6,464	1.3%
Waterford, Town	5,938	6,168	3.9%
Sturtevant, Village	5,287	5,273	-0.3%
Union Grove, Village	4,322	4,430	2.5%
Waterford, Village	4,048	4,195	3.6%

* Racine County portion only

Net migration and natural increase

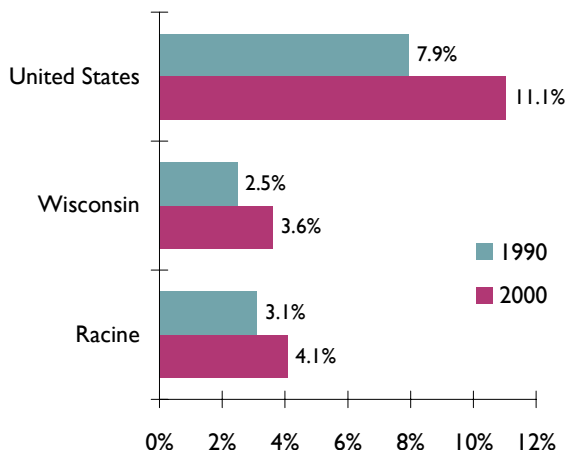


Racine Co.	-0.07%	0.93%
Non-metro WI	1.51%	0.24%
Metropolitan WI	0.67%	0.98%
United States	0.92%	1.03%

Source: Wisconsin DOA, Demographic Services Center & US Census Bureau

are in any portion of Wisconsin. Many have incorrectly assumed that metropolitan counties will escape the aging trend due to relatively higher birth rates, attractive jobs and the abundance of "cool things" and amenities that larger communities offer to younger people and families. There are shades of reality in these assumptions in Racine County, but age composition comparisons between 2000 and 2020 will undoubtedly show the magnitude that baby boomer generation has and will have on the

Share of Foreign-born Residents



Source: US Dept. of Commerce, Census 2000, Summary file-4, QT-P14

(Continued on page 2)

Racine County Workforce Profile

Population Projections by Age Groups in Racine County

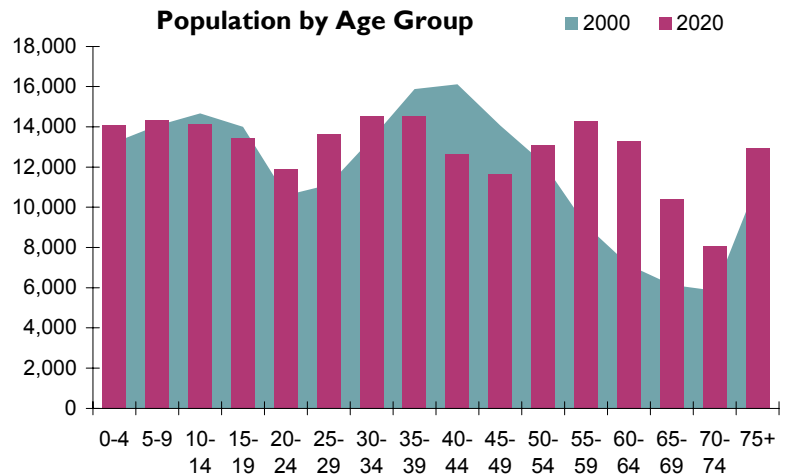
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
2000																
Male	6,776	7,185	7,556	7,355	5,555	5,611	6,716	7,919	8,044	7,120	6,051	4,485	3,488	2,840	2,665	4,091
Female	6,444	6,884	7,111	6,653	5,047	5,505	6,699	7,967	8,074	6,943	6,153	4,620	3,637	3,307	3,194	7,136
2005																
Male	6,731	7,059	7,255	7,546	6,446	5,924	5,816	6,861	7,898	7,864	6,894	5,607	3,997	2,925	2,328	4,455
Female	6,442	6,716	6,952	6,694	5,819	5,929	5,736	6,814	7,899	7,992	6,727	5,821	4,265	3,360	2,937	7,480
2010																
Male	6,917	6,962	7,120	7,269	6,620	6,912	6,170	5,967	6,862	7,746	7,643	6,416	5,026	3,372	2,417	4,448
Female	6,625	6,670	6,775	6,548	5,859	6,751	6,198	5,851	6,762	7,825	7,752	6,371	5,383	3,945	2,992	7,488
2015																
Male	7,109	7,145	7,032	7,151	6,400	7,156	7,182	6,342	5,975	6,736	7,548	7,138	5,776	4,263	2,804	4,510
Female	6,811	6,854	6,740	6,389	5,739	6,822	7,018	6,331	5,816	6,709	7,602	7,356	5,906	4,993	3,526	7,525
2020																
Male	7,206	7,312	7,223	7,071	6,306	6,912	7,432	7,369	6,362	5,864	6,570	7,064	6,446	4,919	3,565	4,892
Female	6,898	7,020	6,931	6,361	5,605	6,708	7,088	7,158	6,300	5,777	6,526	7,225	6,833	5,493	4,481	8,072

Source: Wisconsin Dept. of Administration, Demographic Services, October 2003

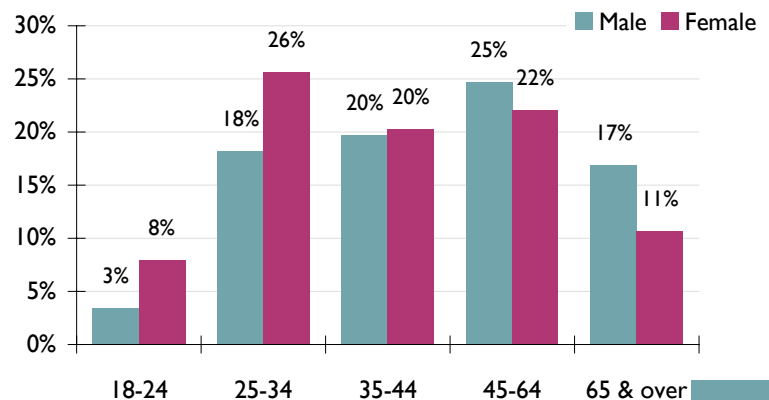
local economy and labor market as they are presently and not surprisingly the largest contingent of the county's population.

By 2020, Racine County's population is projected to grow about 10 percent or about 18,000 more residents. The reader should keep in mind that this projected net gain is due to how mortality and births, inward migration and outward migration are balanced just as any population change statistic is.

Projections show that the number of those 50 and older will increase by 40 percent and the number under 50 years of age will decline by two percent. The graph to the right may not seem to show such dramatic change, but the reader will certainly notice the peaks of population distribution demonstrating today's dominant presence of baby boomers, will move 20 years to the right by year 2020. The same graph seemingly shows that there are plentiful numbers of those in the younger age cohorts in 2020. But if one were to see the differences in age group distribution, the younger cohorts (ages 0-19) will be a smaller component in 2020 (27 percent of total) than in 2000 (30 percent), while those 50 and older will comprise 35 percent of the total in 2020 after making up 27 percent in 2000. The ages in between, 20 to 49 years, the prime working years, will shrink in composition from 43 percent in 2000 down to 38 percent of total population in 2020.



Percent of age group with at least a Bachelor's degree in Racine County



Source: US Dept. of Commerce, Census 2000, Summary file 4, QT-P20

Labor Force Characteristics

The labor force is the sum of a location's employed and unemployed. Participants must be 16 years of age and the unemployed must be actively looking for work to be counted. The labor force can speak volumes about an area's demographic and economic qualities; more so than one may believe at face value.

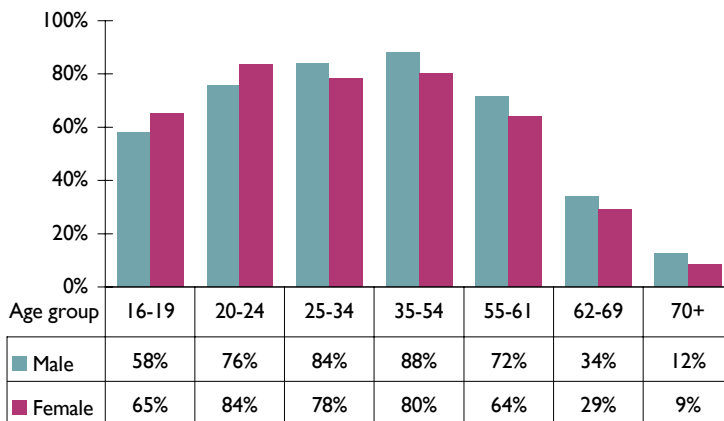
Racine County's labor force has seen the number of its unemployed increase from 4,100 in 1997 to almost 7,100 in 2002, an increase of almost 75 percent. The rise in the number of unemployed has caused the county's unemployment rate, which was 4.4 percent in 1997 to increase to 7.6 percent in 2002. The sluggish and changing economy is largely responsible for such a high spike in the unemployment rate though these rates are still lower than the historically high annual average unemployment rates of 1982 and 1983, that were 12.7 and 12.3 percent, respectively. Nonetheless, Racine County and the City of Racine have the unenviable position of often having among the highest unemployment rates in Wisconsin.

Besides the unemployment rate, another key measurement of the labor force is the labor force participation rate (LFPR), which is the percentage of the total civilian population working or looking for work. This measure is powerful because it speaks volumes economically and demographically of the local population. Racine County's LFPR in 2002 is 66.1 percent, which is lower than the state's LFPR, 73.0 percent, and the nation's, 66.6 percent. Racine County's LFPR ranks 49th of Wisconsin's 72 counties and has the lowest LFPR of the state's 20 metropolitan counties. Racine's LFPR shows that about two of every three residents over age 16 were working or were unemployed and actively looking for work in 2002. Conversely, this LFPR also shows that about one-third were out of the labor force altogether. This is an important issue to understand since many are out of the labor force voluntarily due to age or retirement. The fact remains that there are also a contingent of those whom are not in the labor force because they are discouraged by the job market choosing to not look for work.

The graph to the immediate right projects labor force by age in 2020. The projected changes comparing 2000 to 2020 are the reduction of labor

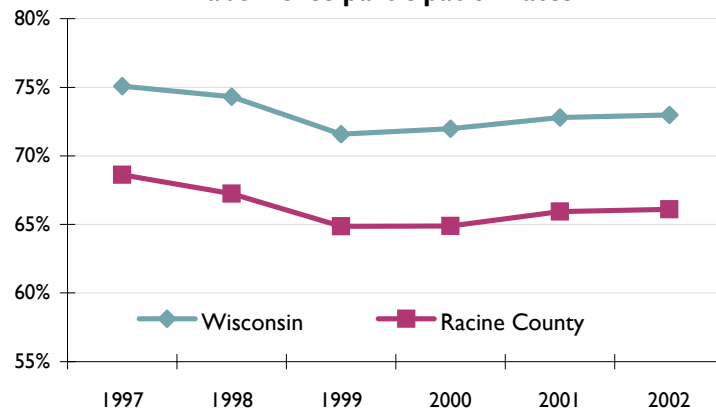
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Racine Labor Force Participation by Age & Sex in 2000



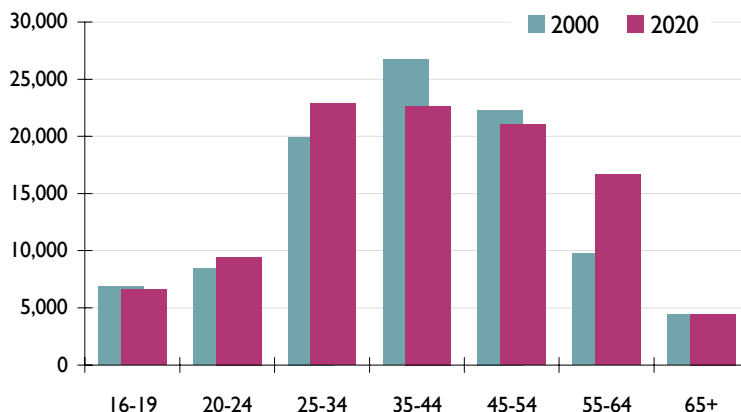
Source: US Dept. of Commerce, Census 2000, Summary file 4, PCT-79

Labor force participation rates



Source: WI DWD, Office of Economic Advisors, 2003

Labor Force by Age in 2000 & 2020 in Racine County

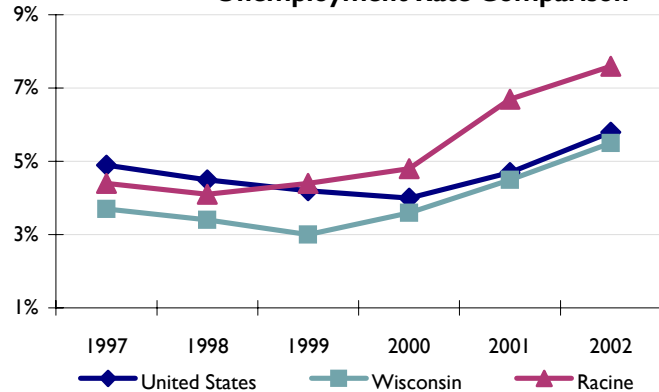


Source: DWD, Office of Economic Advisors, US Census, SF-4 (PCT-79), WI Demographic Services

Racine County Workforce Profile

force ages 35 to 54 coupled with big increase of those ages 55 to 65. This projection may be a bit optimistic as it makes the assumption that the present LFPR by age group will remain the same in 2020, though this may be unlikely. There have been debates stating that future older workers will stay in the workforce longer and some postulate even younger retirees than the 55-65 year range, which is typical. Regardless of LFPR, the labor force will likely grow slowly, perhaps six or seven percent over the next couple of decades. This would be a relative labor force decline in light of 16 and older projected population growth of 12 percent not to mention the possibility of a slowly decreasing LFPR.

Unemployment Rate Comparison



Racine County Civilian Labor Force Data

	1997	1998	1999	2000	2001	2002
Labor Force	93,835	93,157	90,927	91,965	93,258	93,197
Employed	89,733	89,363	86,938	87,577	87,048	86,117
Unemployed	4,102	3,794	3,989	4,388	6,210	7,080
Unemployment Rate	4.4%	4.1%	4.4%	4.8%	6.7%	7.6%

Source: WI DWD, Bureau of Workforce Information, LAUS program, 2003

Occupations in demand

Occupational information requests outnumber every other labor market information customer request. This is due to the fact that all parties involved in the labor transaction—employers and job-seekers—are keenly interested in career direction, education and training requirements, and importantly, wages associated with careers.

The table to the right examines the fastest growing occupations in the Southeast region (Kenosha, Racine and Walworth Counties) and occupations that will have the most openings between 2000 and 2010 and the occupations' average hourly wages in 2001.

The distinctions between the fastest growing and those with most openings are fairly obvious; wages and educational requirements are quite different. Occupations with the most openings tend to be entry-level needing less educational requirement or training and may have higher turnover as people move up career ladders. Occupations that are growing quickly may not necessarily grow abundantly. They are pervasive in technical fields and most require some form of post-high school training or formal education. The wage premium for higher educational attainment is quite evident in this example and is exemplary of a changing labor demand.

Southeastern Region Occupation Projections: 2010

	Top Ten Occupations	Education & Training Typically Required*	Average Wage**
Fastest Growth	Computer Support Specialists	Associate degree	\$18.57
	Network/Computer Systems Admin	Bachelor's degree	\$24.41
	Medical Records/Health Info Techs	Associate degree	\$10.81
	Personal and Home Care Aides	1-month or less training	\$8.48
	Medical Assts	1-12 mo. on-the-job training	\$10.96
	Social/Human Service Assts	1-12 mo. on-the-job training	\$11.40
	Fitness Trainers/Aerobics Instruct	Postsecondary voc. trng	\$8.05
	Computer/Information Systems Mgrs	Work experience & degree	\$33.92
	Hotel/Motel/Resort Desk Clerks	1-month or less training	\$8.43
	Home Health Aides	1-month or less training	\$8.77
Most Openings	Comb Food Prep/Serv Wrk/Incl Fast	1-month or less training	\$7.44
	Cashiers	1-month or less training	\$7.62
	Retail Salespersons	1-month or less training	\$9.19
	Waiters/Waitresses	1-month or less training	\$6.38
	Registered Nurses	Bachelor's degree	\$21.39
	Office Clerks/General	1-month or less training	\$10.68
	Bartenders	1-month or less training	\$8.89
	Team Assemblers	1-12 mo. on-the-job training	\$13.20
	Labrs/Frght/Stock/Matrl Movers/Hand	1-month or less training	\$10.46
	Janitors/Cleanrs Ex Maids/Hskpng	1-month or less training	\$9.57

* The most common way to enter the occupation, not the only way

** Wages from Occupation Employment Statistics survey responses for region, 2001

Southeastern WDA includes Kenosha, Racine and Walworth counties.

Source: WI DWD, Bureau of Workforce Information, 2002

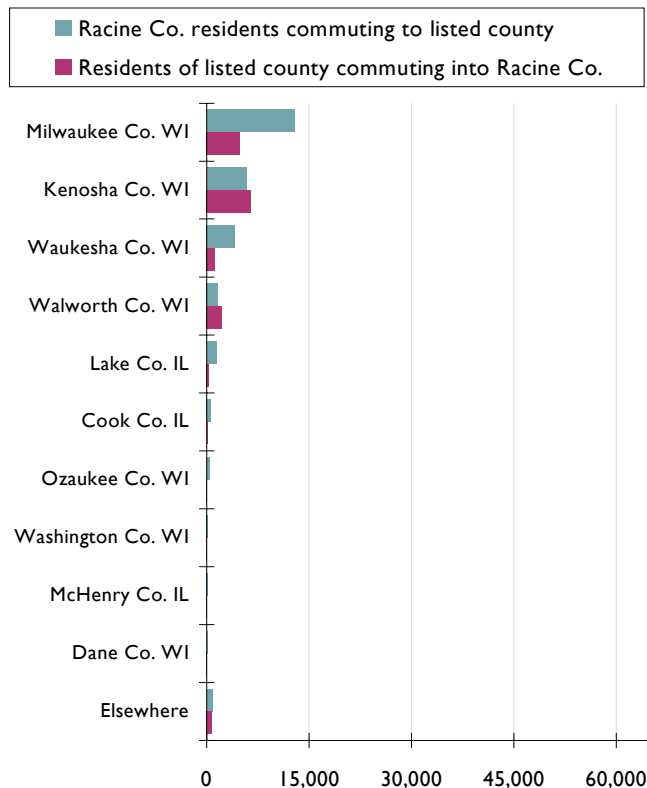
County Commuting Patterns

This topic is arguably one of the more underrated yet highly anticipated pieces of labor market information. It is a key piece of information when profiling a local economy. These data are measured every 10 years by the U.S. Bureau of Census, but may be surveyed annually via the American Community Survey, which is a new approach the bureau is undertaking to measure the U.S. population be-

tween the decennial censuses.

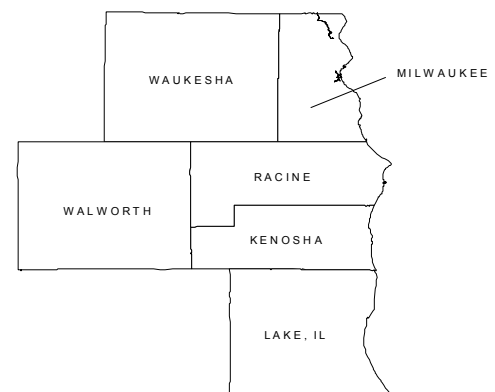
Commuting juxtaposes two simple questions: “where do you live?” and “where do you work?”. Sixty-eight percent of Racine County’s employed residents work in Racine County, which implies that the other 32 percent do not. Racine’s ratio of those working in their home county is a bit lower than the statewide average of 74 percent. Racine County, like many of the larger metropolitan counties in the southeast portion of the state, understandably experience a great deal of commuting interchange between counties due to the economic ties they have with one another and, obviously, proximity.

Racine County is positioned among four adjacent counties (the first four counties listed on the graph to the left), two of which Racine County has a commuting gain and the other two a loss. Overall, Racine County shows a commuting net loss of 9,685 residents to this four-county aggregate. This net loss is heavily weighted to Milwaukee County to the north as this large urban area is an employment magnet for Racine-area residents. A bit surprising is the fact that Racine County does not send many of its workers into Lake County, Illinois. One would not expect the same degree of commute as Kenosha County residents into this neighboring state, but more so than the data suggests. Racine’s economy is more closely allied with the Milwaukee area and Kenosha County continues strong ties with the Chicago metropolitan area.



	Racine Co. residents commuting to listed county	Residents of listed county commuting into Racine Co.	Net gain or loss of workers
Milwaukee Co. WI	12,906	4,866	-8,040
Kenosha Co. WI	5,825	6,526	701
Waukesha Co. WI	4,157	1,231	-2,926
Walworth Co. WI	1,660	2,240	580
Lake Co. IL	1,422	407	-1,015
Cook Co. IL	678	141	-537
Ozaukee Co. WI	445	76	-369
Washington Co. WI	207	76	-131
McHenry Co. IL	191	76	-115
Dane Co. WI	122	74	-48
Elsewhere	861	823	-38

Source: US Dept. of Commerce, Census 2000, County-to-county worker-flow files



Industry Employment -

Introducing NAICS (North American Industry Classification System)

The North American Industry Classification System (NAICS) is a fairly new way of categorizing employers by industry as of 2002. It replaces the old system known as Standard Industrial Classification (SIC).

A tome could be written explaining why the change and what the differences are. For the sake of brevity, NAICS was introduced to reflect a changing economy (new and evolving industries) and to include all three North American countries in a uniform coding system.

NAICS gives more industry detail reflecting industries that are more contemporary than its coding predecessor.

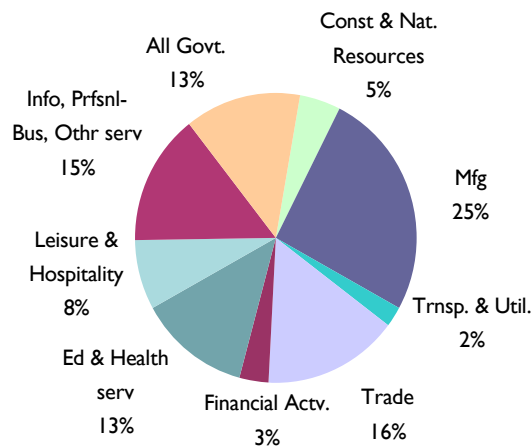
SIC and NAICS data cannot be compared to one another even if the industries share the same or similar name. The new coding system is so different that one cannot assume that data retrieved are similar for comparison. The table at the bottom of the page shows the 2002 industry composition for Racine County in present and former coding systems.

Racine County's industry employment composition, like the rest of the state and nation, is weighted towards services-providing industries to the tune of about 70 percent of its total industry employment. The goods-producing industries, manufacturing; and construction and natural resources compose the remaining 30 percent. Compared to statewide employment averages, Racine County has a dramatically higher percentage of total employment in the manufacturing sector, 25 percent compared to 18 percent statewide. This is the county's largest positive difference to statewide averages. Its largest negative difference is in the financial activities sector where the state average is six percent of employment and Racine County's is half of this ratio at three percent.

Industry composition is important given the fact that national and local economies are moving in a services-providing direction. While Racine County maintains an economy skewed towards goods-producers than average, the job growth has been much more prevalent in services-providing industries. The education and health

(Continued on page 7)

Racine County Industry Distribution: 2002



2002 Industry Employment in Racine County: A comparison of two classification systems

NAICS Super-sectors	Employment	Distribution	SIC Industry Divisions	Distribution
Construction, natural resources & mining	3,800	5%	Construction & Mining	5%
Manufacturing	20,100	25%	Manufacturing	26%
Transportation, warehousing & utilities	1,800	2%	Transportation, utilities & communication	3%
Trade (wholesale & retail)	12,300	15%	Wholesale trade	4%
			Retail trade	18%
Financial activities	2,500	3%	Finance, insurance & real estate	3%
Information, professional & business services, other services	11,700	15%	Services & misc (incl. agr, forestry, fishing)	29%
Education and health services	10,100	13%	Government	13%
Leisure & hospitality	6,200	8%		
Government	10,500	13%		

Source: WI DWD, Bureau of Workforce Information, Current Employment Statistics Program, March 2003

Racine County Workforce Profile

services sector, which is projected to show some of the fastest and most abundant employment growth in Wisconsin as well as the southeast portion of the state. This sector grew 17 percent in employment between 1992 and 2002 compared to overall job growth of about six percent. Manufacturing industries abound in the top 10 industry groups listed below showing up as three of the top ten and representing about 30 percent of the top 10 industry employment. Industries related to the educa-

tion and health services sector represented in top industry list represent about 32 percent of top 10 industries' employment. Educational services employment is a mixture of both public and private school systems and institutions - kindergarten through college.

The top 10 private employers list is dominant in manufacturers and health care organizations as would be expected given the prominence of their respective industries.

Top 10 Industry Groups in Racine County

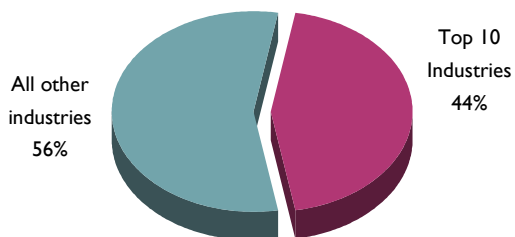
Industry Group	March 2003		Numeric change 2002 - 2003
	Employers	Employees	
Educational Services	35	5,035	256
Food Services and Drinking Places	249	4,772	228
Machinery Manufacturing	64	4,242	-328
Hospitals	4	3,730	185
Chemical Manufacturing	8	3,429	110
Administrative and Support Services	154	3,187	-264
Executive, Legislative, & Gen Government	21	3,039	-68
Electrical Equipment and Appliances	22	2,928	-86
Ambulatory Health Care Services	180	2,591	-16
Specialty Trade Contractors	305	2,364	53

*data suppressed to maintain confidentiality

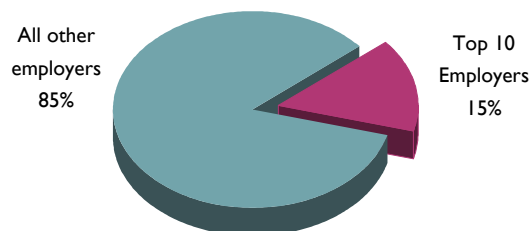
Top 10 Private Employers in Racine County

Company	Product or Service	Size
St. Mary's Medical Center, Inc.	Offices of physicians (except mental health specialists)	1000 +
S.C. Johnson & Son, Inc.	Polish and other sanitation good manufacturing	1000 +
Case Corporation	Farm machinery and equip. manufacturing	1000 +
Emerson Electric Co.	Other major household appliance manufacturing	1000 +
All Saints-St Luke's Hospital, Inc.	General medical & surgical hospitals	500-999
Bombardier Motor Corp. of America	Other engine equip. manufacturing	500-999
Georgia Auction Service, Inc. Gen Ptr	Wholesale trade agents and brokers	500-999
Modine Mfg. Co.	All other motor vehicle parts manufacturing	500-999
Aurora Health Care of Southern Lake	General medical & surgical hospitals	500-999
Johnson Diversey, Inc.	Polish and other sanitation good manufacturing	500-999

Share of jobs with top 10 industries



Share of jobs with top 10 employers



Source: WI DWD, Bureau of Workforce Information, ES-202 special report, First quarter, 2003

Racine County Workforce Profile

The table to the right shows the average annual wage paid by industry in Racine County and compares it to the state average. As expected of a metropolitan county, Racine County pays higher than state average in most industries.

The graph below takes this data a step further and illustrates the comparative importance of industry employment levels to the total wages these sectors pay in Racine County. An example of how to read this graph is that manufacturing employment composes 26 percent of the county's total employment, yet pays about 39 percent of the county's total wages, putting a premium on this industry's employment for its disproportionately high wages. On the other hand, leisure and hospitality employment shows the opposite effect with a higher employment ratio than wages paid in the county. This type of disparity is due to the fact that much of leisure and hospitality employment is entry-level, part-time

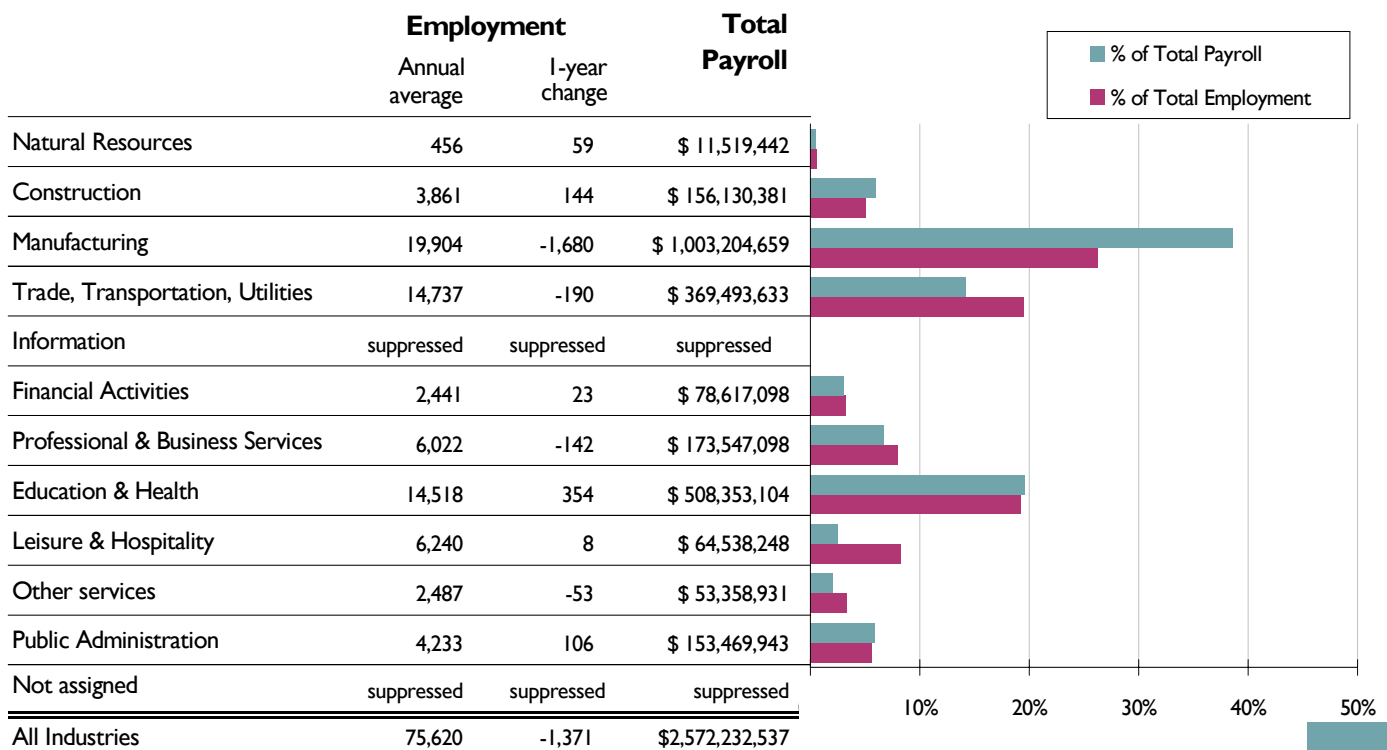
Average Annual Wage by Industry Division in 2002

	Average Annual Wage		Percent of	1-year
	Wisconsin	Racine County	Wisconsin	% change
All Industries	\$ 32,422	\$ 34,391	106%	3.2%
Natural resources	\$ 25,481	\$ 25,262	99%	-8.9%
Construction	\$ 39,649	\$ 40,438	102%	-1.0%
Manufacturing	\$ 40,584	\$ 50,402	124%	4.7%
Trade, Transportation, Utilities	\$ 28,422	\$ 25,073	88%	5.0%
Information	\$ 38,871	suppressed	suppressed	suppressed
Financial activities	\$ 40,337	\$ 32,207	80%	6.8%
Professional & Business Services	\$ 36,324	\$ 28,819	79%	8.3%
Education & Health	\$ 33,768	\$ 35,015	104%	3.8%
Leisure & Hospitality	\$ 11,837	\$ 10,343	87%	0.5%
Other services	\$ 19,500	\$ 21,455	110%	2.4%
Public Administration	\$ 33,769	\$ 36,256	107%	0.9%

Source: WI DWD, Bureau of Workforce Information, Covered Employment & Wages, August 2003

and seasonal in nature. Manufacturing wages are higher on average due to more hours worked, collective bargaining agreements and longer job tenures that are not so pervasive in entry-level pay scales. Racine County's data for the information and not assigned sectors did not meet minimum release thresholds and were suppressed to protect confidentiality.

2002 Employment and Wage Distribution by Industry in Racine County



Source: WI DWD, Bureau of Workforce Information, Covered Employment and Wages, August 2003

Per Capita Personal Income (PCPI)

PCPI is typically the most popular and accepted indicator of economic health of an area's population. It is defined as an area's total income divided by the total population. Income is composed of earnings from work, dividends and interest from equities or other holdings and from transfer payments, which are government payments for various reasons.

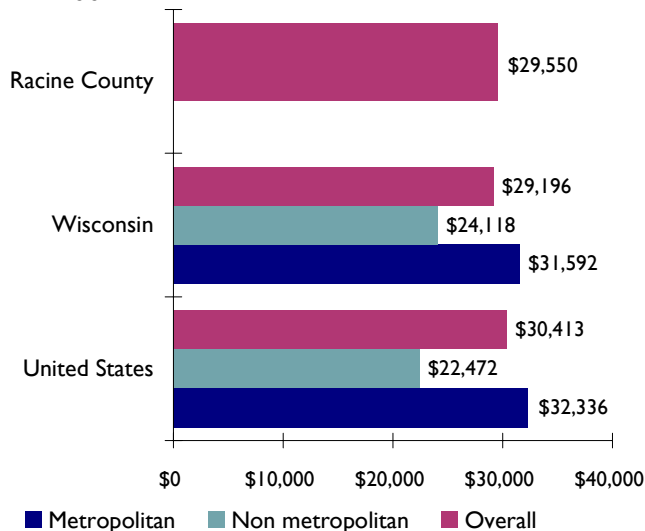
Racine County's PCPI is the ninth highest of Wisconsin's 72 counties and is slightly higher than the state average figure. Racine's PCPI has not increased as much as the statewide figure nor the nation's over the last

five years and much of this income sluggishness is attributed to the county's softer manufacturing economy. Racine County's total personal income is more reliant upon employment earnings rather than from dividends and interest or government transfer payments. As manufacturing jobs have become fewer in the county's economy so have their high wages. Overall job growth has also been relatively flat over this five year period and it has been difficult for former production workers to immediately recoup relatively high wages that were earned in such a high paying industry.

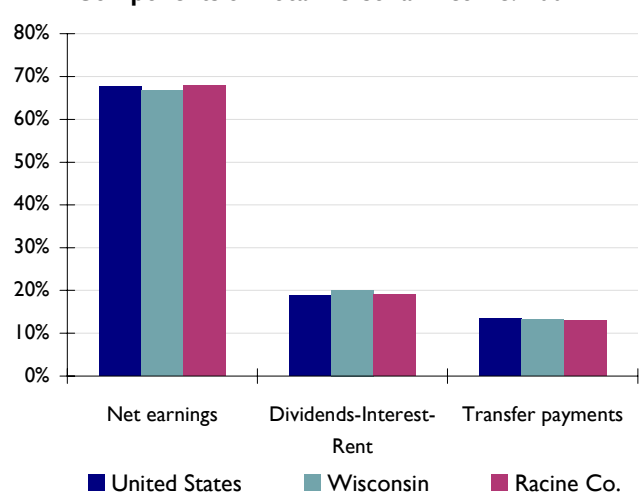
Per Capita Personal Income

	1996	1997	1998	1999	2000	2001	Percent Change	
							1 year	5 year
United States	\$24,270	\$25,412	\$26,893	\$27,880	\$29,760	\$30,413	2.2%	25.3%
Wisconsin	\$23,301	\$24,481	\$26,004	\$26,926	\$28,389	\$29,196	2.8%	25.3%
Racine County	\$24,483	\$25,989	\$27,042	\$27,398	\$28,762	\$29,550	2.7%	20.7%

2001



Components of Total Personal Income: 2001



Source: US Dept. of Commerce, Bureau of Economic Analysis, State & Local Personal Income, May 2003, CAI-3, CA05

WWW addresses of source data

Wisconsin population estimates and projections:

<http://www.doa.state.wi.us/dir/index.asp>

Education levels of population, labor force participation rates, commuting patterns:

<http://www.census.gov/main/www/cen2000.html>

Labor force estimates (employed and unemployed), industry employment, average annual wages:

<http://www.dwd.state.wi.us/lmi/>

Occupations in-demand:

http://www.dwd.state.wi.us/lmi/wda_map.htm

Per Capita Personal Income:

<http://www.bea.gov/bea/regional/reis>

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